

CITY OF INGLESIDE
RESOLUTION NO. _____

AN RESOLUTION ELECTING TO PARTICIPATE IN TAX ABATEMENT AND
ESTABLISHING GUIDELINES AND CRITERIA UNDER CHAPTER 312 TEXAS
TAX CODE

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
INGLESIDE, SAN PATRICIO COUNTY, TEXAS, THAT,

Section 1. The City hereby elects to participate in tax abatement under Chapter 312 Texas Tax Code.

Section 2. The Guidelines and Criteria hereto attached are approved, adopted and established under Chapter 312 Texas Tax Code.

Section 3. Effective Date. The Guidelines and Criteria hereby approved and adopted shall be effective for two years from the date of adoption.

Section 4. Amendment. The Guidelines and Criteria hereby approved and adopted may be amended or repealed only by an affirmative vote of at least $\frac{3}{4}$ of the members of the City Council.

Section 5. Severance. If any part of this resolution is invalid or void or is declared to be so, then said part shall be severed from the balance of this resolution and said invalidity shall not affect

the balance of this resolution, the balance of the resolution to be read as if said invalid or void portion thereof were not included.

Section 6. Publication. This resolution shall be published one time in the official newspaper of the City of Ingleside, San Patricio County, Texas, which publication shall contain the caption of this resolution stating in substance the purposes of same.

PASSED, RESOLVED, APPROVED AND ADOPTED this _____ day of _____, 2014.

Mayor, Pete Perkins
City of Ingleside

City Manager, Jim Gray
City of Ingleside

ATTEST:

Ingleside City Secretary

ATTACHMENT:
Guidelines and Criteria

Guidelines and Criteria

CITY OF INGLESIDE
GUIDELINES AND CRITERIA
FOR GRANTING TAX ABATEMENT

WHEREAS, the attraction of long-term investment and the establishment of new jobs in the area are of the highest civic priority; and

WHEREAS, new jobs and investment will benefit the area economy, provide needed opportunities, strengthen the real estate market and generate tax revenue to support local services; and

WHEREAS, the City of Ingleside must compete with other localities across the nation currently offering tax inducements to attract new plant, commercial-industrial facilities and modernization projects, and studies have shown that a favorable local tax climate and start-up tax concessions rank second on the list of priorities for new plant or facility installations or expansions; and

WHEREAS, tax abatement is one of the principal means by which the public sector and the private sector can forge a partnership to promote real economic growth within a community; and

WHEREAS, any tax incentives offered by the City of Ingleside must be strictly limited in application to new facilities and the modernization of existing facilities in order to bring new wealth to the community and avoid reducing tax revenues; and

WHEREAS, the Property Redevelopment and Tax Abatement Act (The "Act"), Chapter 312 of the Texas Tax Code authorizes cities to provide property tax abatement for limited periods of time as an inducement for the development or redevelopment of a property; and

WHEREAS, the Act requires the establishment of **Guidelines and Criteria** governing Tax Abatement Agreements by the City before entering into a tax abatement or designation of an area as a Reinvestment Zone and adoption of a Resolution stating that the City elects to become eligible to participate in tax abatement, said Guidelines and Criteria to be unchanged for a two-year period unless amended by an affirmative vote of three-fourths (3/4) of the members of the governing body;

NOW, THEREFORE, BE IT RESOLVED by the City of Ingleside that these Guidelines and Criteria for granting tax abatement be adopted:

Section 1. Definitions.

(a) "Abatement" means the temporary, full or partial exemption from ad valorem taxes of certain added value to real and personal property in a reinvestment zone designed for economic development purposes pursuant to the Act.

(b) "Added Value" means the increase in the assessed value of an eligible property as a result of "expansion" or "modernization" of an existing facility or construction of a "new facility." It does not mean or include "deferred maintenance."

(c) "Agreement" means a contract between a property owner and/or lessee and the City of Ingleside for the purposes of temporary tax abatement.

(d) "Base Year Value" means the assessed value of eligible property as of the January 1 preceding the execution of an Agreement plus the agreed upon value of eligible property improvements made after January 1 but before the execution of the Agreement.

(e) "Basic Industrial, Manufacturing or Service Facility" means buildings and structures, including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which derive a majority of revenue from points beyond a 50-mile radius of San Patricio County.

(f) "Deferred Maintenance" means improvements necessary for continued operations which do not improve productivity or alter the process technology.

(g) "Economic Life" means the number of years a property improvement is expected to be in service in a Facility.

(h) "Eligible Jurisdiction" means the City of Ingleside, San Patricio County and any school district or other local taxing jurisdictions eligible to abate taxes according to Texas law, the majority of which land area of a jurisdiction is located in San Patricio County and that levies ad valorem taxes upon and provides services to property located within the proposed or existing reinvestment zone designated by the City of Ingleside pursuant to the Act.

(i) "Expansion" means the addition of buildings, structures, fixed machinery or equipment for the purposes of increasing capacity.

(j) "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.

(k) "Modernization" means the replacement and upgrading of existing facilities which increase the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, repairing or completion of deferred maintenance.

(l) "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with Expansion or Modernization.

(m) "Owner" means the owner of a Facility subject to abatement. If the Facility is constructed on a leased property, the owner shall be the party which owns the property subject to tax abatement. The other party to the lease shall join in the execution of Agreement but shall not be obligated to assure performance of the party receiving abatement.

Section 2. Abatement Authorized.

(a) Authorized Facilities. A Facility may be eligible for abatement if it is a Basic Industrial, Manufacturing or Service Facility. Abatement may be granted for new facilities and Improvements to existing facilities for the purpose of Modernization or Expansion.

(b) Tangible Personal Property. Equipment and/or tools used, or brought or leased for use, in the operations of the business applying for tax abatement, other than that which was located on the real property at any time before the period covered by the tax abatement agreement, and other than inventory, supplies, and/or office equipment.

(c) Creation of New Value. Abatement may only be granted for the additional value of eligible property improvements made subsequent to and listed in an abatement Agreement between the City of Ingleside and the property owner and lessee (if required), subject to such limitations as the City of Ingleside may require. The economic life of the improvements must exceed the term of the abatement Agreement.

If a modernization project includes facility replacement, the new value subject to abatement shall be the value of the new unit less the value of the old unit.

(d) Eligible Property. Abatement may be extended to the value of the improvements to real property, including buildings, structures, fixed machinery and equipment, and site improvements, plus that office space and related fixed improvements necessary to the operation and administration of the Facility. Abatements may also extend to certain tangible personal property that is located within the reinvestment zone. The value of all property shall be the appraised value for each year, as finally determined by the applicable appraisal district.

(e) Ineligible Property: The following types of property shall be fully taxable and ineligible for tax abatement: land; inventories; supplies; tools; furnishings and other forms of movable personal property; vehicles; movable heavy equipment (such as cranes, forklifts, etc.); vessels; aircraft; trailers; housing; hotel accommodations; furniture; deferred maintenance investments; property to be rented or leased except as provided in Section 1(m); improvements for the transmission of electrical energy not wholly consumed by a new facility or expansion; any improvements, which are not integral to the operation of the facility; improvements to real property that have a productive life of less than 10 years; and property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas.

(f) Period of Abatement. Abatement shall be granted effective with the January 1 valuation date immediately following the date of execution of the Agreement. Abatement shall be for a period not to exceed ten years under the Agreement, and shall be conditioned on the Owner of the property making improvements as specified in the Agreement.

(g) Abatement Percentage. Temporary property tax abatement may be authorized for the development of a Facility or the addition of tangible personal property that meets the qualification criteria of capital investment and creation of new jobs. Where the value of new eligible property is between 50 million dollars and 100 million dollars, twenty-five percent (25%) of the value of the new eligible properties may be abated for each of the years during the abatement period, unless otherwise agreed in the abatement agreement for property located in a specific designated reinvestment zone. Where the value of new eligible property is greater than 100 million dollars, an abatement percentage greater than 25% may be specified in the Agreement approved by the City on a case by case basis. These guidelines notwithstanding, the City has the authority to negotiate with an applicant for abatement the term of years and the percentage of abatement, except that abatement agreements made with owners of property in the same reinvestment zone must contain identical terms for the portion of the value of the property that is to be abated and the duration or length of the abatement period/term.

(h) Minimum qualifications. In order to be eligible for designation as a reinvestment zone and receive tax abatement of the planned improvement for up to ten years, (a) the total expenditure for the construction of eligible property must exceed \$50,000,000, and (b) the planned improvements must create full-time employment for at least twenty (20) new people on a permanent basis in the City of Ingleside.

In order to be counted as a permanent job under these Guidelines, the job must be a full-time position providing regular work schedules of at least 35 hours per week and the employer must cover over 51% of the employee's health insurance costs. Any jobs filled by H1B and H2B workers will be excluded as permanent jobs.

During the period of construction of the Facility, the Owner may receive an abatement percentage if so provided and as set forth in the terms of the abatement agreement approved by the governing body of the City. The construction period may last up to two years.

(i) Taxability. From the execution of the Agreement to the end of the abatement period, taxes shall be payable as follows:

- (1) The value of ineligible property as provided in Section 2(e), as well as any other property other than Eligible Property, shall be fully taxable (except for personal property added in connection with a Rehabilitation Project);
- (2) The Base Year Value of existing Eligible Property as determined each year shall be fully taxable; and
- (3) The Added Value of new Eligible Property shall be taxable in the manner described in Section 2(g) above.

Section 3. Application

(a) Written Application. Any present or potential owner of taxable property in the City of Ingleside may request tax abatement by filing a written application with the City of Ingleside. A non-refundable cashier's check in the sum of twenty-five hundred dollars (\$2,500.00) (application fee) must be submitted with the application, said sum to be used to offset application processing expenses of the City. If an application is approved, Owner/Applicant shall agree to pay City, at the time an abatement agreement is executed, a one-time document preparation, administrative and compliance oversight fee of twelve thousand five hundred dollars (\$12,500.00).

(b) Contents of Application. The application shall consist of a completed application form accompanied by: a general description of the new improvements to be undertaken; a descriptive list of the improvements for which abatement is requested; a list of the kind, number and location of all proposed improvements of the property, including the economic life of each and its eligibility for a TCEQ exemption (if known); a map and property description; and a time schedule for undertaking and completing the proposed improvements. The applicant shall also include a certification of the current number of permanent full-time, part-time and contract employees of the applicant, by category, employed in the City of Ingleside at the time of the application. In the case of a Modernization or Expansion project, a statement of the assessed value of the Facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the

application. The application form may require such financial and other information as the City of Ingleside deems appropriate for evaluating the financial capacity and other relevant factors of the applicant.

(c) Written Notification to Governing Bodies. Upon receipt of a completed application, the City Manager shall notify in writing the presiding officer of the governing body of each Eligible jurisdiction having jurisdiction of the property covered by the application.

(d) Feasibility. After receipt of an application for abatement, the City shall consider the feasibility and the impact of the proposed tax abatement. The study of feasibility shall include, but not be limited to, an estimate of the economic effect of the abatement of taxes and the benefit to the Eligible jurisdiction and the property to be covered by such abatement.

(e) No Abatement if Construction has Commenced. The City Council shall not establish a reinvestment zone and no tax abatement Agreement shall be approved if the application for the abatement was filed after the commencement of construction, alteration or installation of improvements related to the proposed Modernization, Expansion or New Facility.

(f) Variance. Requests for variance from the provisions of Section 2 may be made in written form, provided, however, that no variance may extend the term of abatement beyond ten years after completion of construction. Such requests shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires an affirmative vote of three-fourths (3/4) of the members of the governing body of the City.

If the Application is complete, properly submitted to the City, and in conformance with the application requirements specified in these Guidelines and Criteria, the City may decide to designate by ordinance a reinvestment zone and consider approval of a tax abatement agreement with applicant pursuant to the Act and as outlined in Section 4 herein.

Section 4. Public Hearing, Notices and Approval.

(a) Public Hearing on Designation of Zone. A resolution designating a reinvestment zone for tax abatement under the Act may not be adopted by the City until a public hearing has been held at which interested persons are entitled to speak and present evidence for or against the designation. Notice of the hearing shall be provided to each Eligible jurisdiction by delivery to the presiding officer of the governing body, and to the public by publication in a newspaper in the manner required by the Act, not later than the seventh day before the date of the hearing.

(b) At the City's option, prior to entering into a tax abatement agreement, the City Council may hold a public hearing at which interested persons shall be entitled to speak and present written materials for or against the approval of the tax abatement agreement.

(c) Notice of Tax Abatement Agreement. Not later than the seventh (7th) day before the date on which the City enters into a tax abatement agreement, the Mayor or his designee shall have delivered to the presiding officer of the governing body of each other taxing unit, in which the property to be subject to the agreement is located, a written notice that the City intends to enter into the abatement agreement. The notice must include a copy of the proposed abatement agreement. Such notice is presumed delivered when placed in the mail postage paid and properly addressed to the appropriate presiding officer.

(d) Required Findings. In order to designate a reinvestment zone and enter into a tax abatement Agreement, the City must find:

- (1) that the area to be designated a reinvestment zone is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the municipality, and
- (2) that the proposed improvements are feasible and practical and would be a benefit to the land to be included in the reinvestment zone and to the municipality after the expiration of an abatement agreement, and
- (3) that the terms of the proposed abatement Agreement meet these Guidelines and Criteria.

(e) Approval by Governing Body. The abatement agreement must be approved by the affirmative vote of a majority of the members of the governing body of the City of Ingleside at a regularly scheduled meeting of the governing body.

(f) Reservation of Rights. Nothing herein shall be construed to limit the authority of the City, the County or any other jurisdiction to examine each application for tax abatement before it on a case-by-case basis and determine in its sole and absolute discretion whether or not the proposed project should be granted temporary tax abatement and whether or not it complies with these Guidelines and Criteria, is feasible, and whether or not the proposed temporary abatement of taxes will inure to the long-term benefit of such Eligible jurisdiction. Adoption of these guidelines and criteria: (a) does not limit the discretion of the governing body of the City of Ingleside to decide whether or not to enter into a specific tax abatement agreement, and (2) does not create any property, contract, or other legal right in any person to have the governing body of the City of Ingleside consider or grant a specific application or request for tax abatement.

Section 5. Agreement.

(a) Contents of Tax Abatement Agreement. The tax abatement Agreement with the Owner of the Facility shall include:

- (1) the estimated value to be subject to abatement and the Base Year Value;
- (2) the percentage of value to be abated each year as provided in Section 2(g);
- (3) the commencement date and termination date of abatement;
- (4) the proposed use of the Facility, nature of construction, time schedule, map, property description and improvements list as provided in the application as required;
- (5) the contractual obligations in the event of default, delinquent taxes, recapture, administration and assignment as provided in these Guidelines or other provisions that may be required for uniformity or by state law;

- (6) the amount of Added Value and required number of permanent jobs;
 - (7) a provision limiting the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;
 - (8) at the City's option a provision requiring that subject to availability the City shall supply and sell to owner at the prevailing rates of the City of Ingleside all potable and nonpotable fresh water used at the property (and not for resale) in connection with the construction, operation or administration of the property, facility and improvements that are the subject of the agreement;
 - (9) at the City's option a provision providing that the City may terminate the abatement agreement if: (a) the appraised value of the eligible property falls below \$50 million, or (b) the appraised value of the land falls below the base year value of the land at the time of execution of the abatement agreement or a value stated in the agreement;
 - (10) at the City's option a provision providing that the City may by means of addendum to the abatement agreement approve and accept incorporation of additional projects or new improvements under the abatement agreement, so long as each additional new project or improvement creates further new value of at least \$13 million.
- (b) Time of Execution. If the parties successfully negotiate a tax abatement Agreement, such agreement shall be executed within 60 days after the applicant has provided all necessary information and documentation.

Section 6. Recapture.

- (a) Failure to Commence Operations During Term of Agreement. In the event that the Facility is not completed and does not begin operation with the minimum number of 20 permanent jobs by the January 1 following the completion of construction, no abatement shall be given for that tax year, and the full amount of taxes assessed against the property shall be due and payable for that tax year. In the event that the Owner of such a Facility fails to begin operation with the minimum number of 20 permanent jobs by the next January 1, then the abatement Agreement shall terminate and all abated taxes during the period of construction shall be recaptured and paid within 60 days of such termination.
- (b) Discontinuance of Operations During Term of Agreement. In the event the Facility is completed and begins operation with the required minimum number of 20 permanent jobs but subsequently discontinues operations or the minimum number of 20 permanent jobs is not maintained during any four (4) consecutive weeks during the term of the Agreement after the completion of construction, for any reason except on a temporary basis due to fire, explosion or other casualty or accident or natural disaster, the Agreement may be terminated by the Eligible jurisdiction providing abatement, and all taxes previously abated by virtue of the Agreement shall be recaptured and paid within 60 days of such termination.

- (c) Delinquent Taxes. In the event that the Owner allows its ad valorem taxes to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, the Agreement shall terminate and so shall the abatement of the taxes for the tax year of the delinquency. The total taxes assessed without abatement, for that tax year shall be paid within 60 days from the date of termination.
- (d) Notice of Default. Should the Eligible jurisdiction providing abatement determine that the Owner is in default according to the terms and conditions of its Agreement, it shall notify the Owner in writing at the address stated in the Agreement that if such is not cured within 60 days from the date of such notice (the "Cure Period"), then the Agreement may be terminated. In the event the Owner fails to cure said default during the Cure Period, the Agreement may be terminated and the taxes abated by virtue of the Agreement will be recaptured and paid as provided herein.
- (e) Actual Capital Investment. Should the Eligible jurisdiction providing abatement determine that the total level of capital investment in eligible property is lower than provided in the Agreement, the difference between the tax abated and the tax which should have been abated, if any, based upon the actual capital investment as determined shall be paid to the taxing agencies within 60 days of notification to the Owner of such determination.
- (f) Reduction in Rollback Tax Rate. If during any year of the period of abatement with respect to any property any portion of the abated value which is added to the current total value of the Eligible jurisdiction but is not treated as "new property value" (as defined in Section 26.012 (17) of the Texas Tax Code) for the purpose of establishing the "effective maintenance rate" in calculating the "rollback tax rate" in accord with Section 26.04(c)(2) of the Texas Tax Code and if the Eligible jurisdiction's budget calculations indicate that a tax rate in excess of the "rollback tax rate" is required to fund the operations of the Eligible jurisdiction for the succeeding year, then the Eligible jurisdiction shall recapture from the taxpayer a tax in an amount equal to the lesser of the following:
- (1) The amount of the taxes abated for that year by the Eligible jurisdiction with respect to such taxpayer.
 - (2) The amount obtained by subtracting the rollback tax rate computed without the abated property value being treated as new property value from the rollback tax rate computed with the abated property value being treated as new property value and multiplying the difference by the total assessed value of the Eligible jurisdiction.
- If the Eligible jurisdiction has granted an abatement of taxes to more than one taxpayer, then the amount of the recapture calculated in accord with subparagraph (2) above shall be prorated on the basis of the amount of the abatement with respect to each taxpayer.
- All recaptured taxes must be paid within thirty (30) days after notice thereof has been given to the affected taxpayer. Penalty and interest shall not begin to accrue upon such sum until the first day of the month following such thirty (30) day notice, at which time penalty and interest shall accrue in accord with the laws of the State of Texas.
- (g) Continuation of Tax Lien. The amount of tax abated each year under the terms of these Guidelines and the Agreement shall be secured by a first and prior tax lien which shall continue in existence from year to year throughout the entire term of the Agreement or until all taxes, whether assessed or recaptured, are paid in full.

- (h) Automatic Termination. The Agreement shall automatically terminate on and as of the date any of the following events occur: the filing of a petition in bankruptcy by Owner; or the making by the Owner of an assignment for the benefit of creditors; or if any involuntary petition in bankruptcy or petition for an arrangement pursuant to the federal bankruptcy code is filed against the Owner; or if a receiver is appointed for the business of the Owner. In the event of automatic termination for any of the above reasons, the prior notice of default provisions in subsection (d) above shall not apply.

Section 7. Administration.

- (a) Annual Assessment. The San Patricio County Appraisal District shall annually determine an assessment of the real and personal property subject to an Agreement. Each year, the Owner shall furnish the Appraisal District and the City with such information as may be necessary for the abatement. Once value has been established, the Appraisal District shall notify the affected jurisdictions which levy taxes of the amount of the assessment and the abatement.
- (b) Access to Facility. The Agreement shall stipulate that employees and/or designated representatives of the City of Ingleside will have access to the Facility during the term of the Agreement to inspect the Facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after giving 12 hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the Facility. All inspections will be made with one or more representatives of the Owner and in accordance with its safety standards.
- (c) Annual Evaluation. Upon completion of construction, the City individually or in conjunction with other affected jurisdictions, shall annually evaluate each Facility receiving abatement to ensure compliance with the Agreement and report possible violations of the Agreement.
- (d) Annual Reports. The Owner shall certify to the governing body of the City on or before April 1 each year that the Owner is in compliance with each applicable term of the agreement. Additionally, during the initial four years of the term of property tax abatement, the Owner shall provide to the Eligible Jurisdiction approving the abatement an annual report covering those items listed on Schedule 1 in order to document its efforts to acquire goods and services on a local basis. Such annual report shall be prepared on a calendar year basis and shall be submitted to the City no later than ninety (90) days following the end of each such calendar year. The annual report shall be accompanied by an audit letter prepared by an independent accounting firm which has reviewed the report.
- (e) "Buy Local" Provisions. Each recipient of property tax abatement shall additionally agree to give preference and priority to local manufacturers, suppliers, contractors and labor, except where not reasonably possible to do so without added expense, substantial inconvenience, or sacrifice in operating efficiency. In any such exception cases involving purchases over \$10,000.00 a justification for such purchase shall be included in the annual report. Each such recipient shall further acknowledge that it is an obligation of persons receiving property tax abatements to favor local manufacturers, suppliers, contractors and labor, all other factors being equal. For the purposes of this provision, the term "local" as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either San Patricio County, Aransas County or Nueces

County. In the event of a breach of the buy-local provision, the percentage of abatement shall be proportionately reduced equal to the amount the disqualified contract bears to the total construction cost for the project.

- (f) Right to Modify or Cancel. Notwithstanding anything herein or in any agreement to the contrary, the governing body of the City may cancel or modify the agreement if the Owner fails to comply with the Agreement.

SCHEDULE 1

"Buy Local" Annual Reports

The following information shall be reported to the Governmental Unit on a calendar-year basis during the first four years of the tax abatement program:

1. Dollar amount spent for materials* (local).
2. Dollar amount spent for materials* (total).
3. Dollar amount spent for labor** (local).
4. Dollar amount spent for labor** (total).
5. Number of jobs created in the construction project (local).
6. Number of jobs created in the construction project (total).
7. Number of jobs created on a permanent basis (local).
8. Number of jobs created on a permanent basis (total).

* "Materials" is defined to include all materials used in excavation, site improvement, demolition, concrete, structural steel, fire proofing, piping, electrical, instruments, paintings and scaffolding, insulation, temporary construction facilities, supplies, equipment rental in construction, small tools and consumables. This term does not include major items of machinery and equipment not readily-available locally.

** "Labor" is defined to include all labor in connection with the excavation, site improvement, demolition, concrete construction, structural steel, fire proofing, equipment placement, piping, electrical, instruments, painting and scaffolding, insulation, construction services, craft benefits, payroll burdens, and related labor expenses. This term does not include engineering services in connection with the project design.

The term "local" as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either San Patricio County, Aransas County, or Nueces County.

APPLICATION FOR TAX ABATEMENT WITH THE CITY OF INGLESIDE

INSTRUCTIONS:

Applicants and projects must meet the requirements established by the City of Ingleside Guidelines and Criteria in order to receive positive consideration. Section 2 of the Guidelines sets out regulations governing eligible facilities, eligible and ineligible improvements, terms, and economic qualifications. Conformance with all applicable sections is required for eligibility.

APPLICANTS INFORMATION:

The taxing entity may consider the applicant's financial capacity in determining whether to enter into an abatement agreement. Established companies for which public information is available, or the wholly owned business of such companies, should include with the application a copy of their latest annual report to stockholders. Other applicants and new companies should attach a statement showing when the company was established, business references (name of contact and telephone number of principal bank, accountant and attorney) and may be required to submit an audited financial statement and business plan.

PROJECT INFORMATION:

Only facilities listed in Section 2(a) of the Guidelines may receive abatement without applying for a variance. Check guideline definitions in Section 1 to see if the project qualifies. If the project is a Basic Industry, the application should include market studies, business plans, agreements or other materials demonstrating that the facility is intended to serve a market the majority of which is substantially outside of the San Patricio County region.

ECONOMIC INFORMATION

Permanent Employment Estimates. In estimating the permanent employment of the projects, include the total number of jobs retained or created at this site by your firm as well as known permanent jobs of service contractors required for operation.

Estimated appraised Value 'on Site.' The value January 1 preceding abatement should be the value established by the San Patricio County Appraisal District. If the applicant must estimate value because the taxable value is not known or is combined with other properties under a single tax account, please so state. To qualify, the abated properties must be expected to result in an addition to the tax base of at least two million dollars after the period of abatement expires. Projections of value should be a "best estimate" based on taxability in Texas. The projection of project values not abated should include personal property and ineligible project-related improvements such as office space in excess of that used for plan administration, housing, etc.

Applications for Tax Abatement in City of Ingleside Fill-in Instructions

This application should be filed at least **THIRTY (30) DAYS** prior to the beginning of construction or the installation of equipment. This application will become a part of any later agreement or contract and known false representations thereon will be grounds for the voiding of any later agreement or contract.

ORIGINAL COPY OF THIS APPLICATION AND ATTACHMENTS SHOULD BE SUBMITTED (WITH APPLICATION FEE OF \$2,500)

To: Ingleside City Manager – 2671 San Angelo St., Ingleside, TX 78362

APPLICANT INFORMATION

Submittal Date

Company Name

Company Address

Company Phone

Contact of this Project

Number employed

Annual Sales per Year

Annual Report Submitted? Yes ____

No ____ (See instructions)

Type of Structure: Corporation ()

Partnership ()

Proprietorship ()

PROJECT INFORMATION

Type of Facility to be abated: Manufacturing () Regional Distribution () Regional Service ()

Regional Entertainment Center () Research () Other ()

Basic Industry () Multi-family housing ()

Proposed Facility Address and Legal Description:

Attach map showing site

School District ____ Ingleside ISD ____

Other District(s) ____ Drainage District ____

City ____ INGLESIDE ____

Describe product or service to be provided:

This application is for new construction ()

expansion ()

Modernization ()

Project Description:

Please attach a statement fully explaining the project: describing the site and existing improvements; describing all proposed improvements; providing a list of improvements and fixed equipment for which abatement is requested.

ECONOMIC AND IMPACT INFORMATION

Permanent Employment Estimates

If any existing Facility, please present a report indicating the total number of permanent employees at the Facility on the first day of each month for the past twelve months.

Estimated Number of Plant Jobs Retained ____ Created ____ at Start (____ total permanent)

Estimated Operational Date and or opening of improvements

Construction and employment estimated

Construction Start (month/year) _____

Construction Completion (month/year) _____

Number of Construction jobs start _____ peak _____ finish _____

Number of Construction jobs per year _____

School District Impact Estimates

Number of families transferred to area _____

Number of children added to ISD _____

City Impact Estimates

Volume of treated water required from city _____ gal./mo. Increase from current use _____

Volume of effluent to be treated by city _____ gal./mo. sanitary sewer flow over current use-

Estimated Appraised Value on Site

Land

Personal Property

Improvements

Valuations January 1

Preceding abatement \$ _____ (2013) \$ _____ (2014) \$ _____ (2013)

Value, upon completion of project, of personal property and improvements not subject to abatements:

\$ _____ (2013) \$ _____ (2016) \$ _____ (2013)

Estimated value of eligible improvements after abatement agreement expires: \$ _____

Variance:

Is a variance being sought under Section 3 (f) of the Guidelines?

_____ Yes _____ No

If "yes" attach any supplementary information required. Letter attached asking for variance

Other Agreement Applications

Has the company made application for abatement of this project to other taxing jurisdictions within the San Patricio County?

_____ Yes _____ No

To other taxing jurisdictions or counties?

_____ Yes _____ No

If "yes," please provide dates of application; hearing dates; names of jurisdiction(s) and contact; and any letters of intent to abate.

Declaration

To the best of my knowledge the above information is an accurate description of project details.

Company Official Signature

Printed Name of Company Official

Title of Company Official:

ACTION

DO NOT WRITE HERE

FOR OFFICIAL USSE

1. EDC Contact

2. San Patricio County Precinct _____

3. School District _____

4. City _____

5. Other District _____

6. Jurisdictions Notified (date) _____

7. Initial Review Complete (date) _____

8. Review Circulated (date) _____

9. Concurrence

ISD _____

Other District(s) _____

City _____

10. Letter of Intent (date) _____

11. Hearing Notice on Agenda (date) _____

12. Public Hearing (date) _____

13. Action

ISD _____

Other District(s) _____

City _____

14. Agreement Signed (date) _____